

Release Date: For Immediate Release

**For more information contact:
Rose E. Garland, (314) 539-6600, Ext. 232**

It Has Not Been Easy, but KLEERTECH is Surviving with SBA Assistance

St. Louis—When I asked Scott McKye, president of KLEERTECH, if he believed his business was still successful, he laughed. “It has been a struggle the last five years in business. After 9/11, my business changed,” said Scott.

KLEERTECH began as Technical Sales and Services, Inc. in 1985 by Scott and his wife, Barbara Kramer-McKye. They were local manufacturer representatives for various types of businesses, among them, name badge holders and meeting supplies. However, Scott and Barbara soon realized that their clients demanded high quality products at a reasonable price, so in 1987 they concentrated their focus on badges and holders and switched from distribution to manufacturing their own products.

Scott went to the Economic Development Corporation of Jefferson County for ‘brick and mortar’ financing. They purchased a larger building and high speed equipment to manufacture their products and needed financial assistance. The U. S. Small Business Administration provides the guarantee through the 504 loan program. The 504 loan program provides long-term, fixed-rate financing to acquire real estate, machinery or equipment for expansion or modernization.

“We had fun the first ten-plus years manufacturing our products,” said Scott. “But then 9/11 happened! We thought we were invulnerable to economic downturns based on our previous experiences in volatile business climates, but we were unprepared for the impact post- 9/11 brought to bear on our business. Nothing in history so clearly had as chilling an effect on the traveling public. Trade show and meeting attendance went down by over 25 percent.”

Since 9/11, KLEERTECH has good years and bad years. One of the good years was in June 2003 when they bought Kleerco, a New Jersey-based company that specialized in manufacturing event ribbons. With that acquisition, they were able to expand their offerings. Gradually the public has gone back to traveling and companies have begun to send employees to trade shows and the number of meetings has also grown.

In 2004, the Economic Development Corporation recognized KLEERTECH during their 25th anniversary celebration. “It was a company that started with the smallest loan and grew to the most employees for medium-sized business,” said Evelyn Fine, EDC loan officer.

Scott hired Bruce Lyons in 2004 to be the chief operating officer for KLEERTECH, so that he could concentrate on sales and marketing his business. “We all must make our contribution to the team and mine is best given in the form of sales and marketing,” explained Scott. “We now

have 80 employees divided evenly between full and part time employment all doing what they do best.”

When asked what his plans are for 2006, Scott replied, “Pay off the debt accumulation during our acquisition of Klerco and pay some taxes, because you can only pay taxes when you have a profit.”

“Last year was a break-even year, but 2006 will be the first year in the last six where we ‘KLEERLY’ knew why we made money” said Scott. “Being a conscious competent is a lesson I’ve learned while attending the school of hard knocks, but if it weren’t for the ‘school loans’ provided by the SBA, we wouldn’t even be here. We’re very thankful for what the SBA has made possible and will always be an advocate for this agency.”

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